

WITENA CEO & BOARD REPORT 2024

INSIGHTS INTO CORPORATE SWITZERLAND



EXECUTIVE SUMMARY

The year 2024 was marked by significant leadership transitions among companies listed on the Swiss Performance Index (SPI). A total of 143 changes occurred within the Boards of Directors, while 133 changes took place at the Group Executive Committee level—representing a fifth increase in leadership transitions compared to 2023. We found a few interesting findings and for the first time, we put the changes and composition of the top two levels in relation to the share price performance:

- SPI-listed companies predominantly recruit executives from Switzerland and neighboring countries.
- Our data provides no evidence of gender-based discrimination in executive appointments - on the contrary.
- Leadership changes at the two highest levels of governance have no discernible impact on share price performance, with one exception...

Methodology

Witena has reviewed all companies that were represented in the Swiss Performance Index in the year 2024. The companies are listed on the following pages.

The following methodology was applied:

- Only ad hoc news is relevant according to Art. 53 LK
- Only appointments to the Group Executive Committee and Group Board of Directors are listed
- Relevant for the news is the date of the ad hoc news
- Changes within the Executive Committee are not included (people who step down or take over other areas at the Executive Committee)
- Changes due to investigations by authorities are not included and companies in special situations such as delisting intentions were excluded.
- Data was taken from the companies listed at the Swiss Performance Index in 2024
- Interim roles are not relevant.

Abbreviations:

CEO = Chief Executive Officer
CFO = Chief Financial Officer
COO = Chief Operating Officer
GC = General Counsel
CTO = Chief Technology Officer
CIO = Chief Information Officer
CDO = Chief Digital Officer
CHRO = Chief Human Resources Officer
ESG = Environmental, Social Governance

ABB
Accelleron
Addex Therapeutics
Adecco Group
Adval Tech Hldg
AEVIS VICTORIA
AIRESIS
Alcon
Allreal Hldg
ALSO Holding
Aluflexpack
ams-OSRAM
APG SGA
Arbonia
ARYZTA
Ascom Hldg
ASMALLWORLD
Autoneum Hldg
Avolta
BACHEM HLDG
Baloise Hldg
Barry Callebaut
Basilea Pharmaceutical
BB Biotech
BC Jura
BC Vaudoise
BEKB
BELIMO Hldg
Bell Food Group
Bellevue Group
BKW
BLKB
Bossard Hldg
Bque Cant Geneve
Bucher Industries
Burckhardt Compression
Burkhalter Hldg
BVZ Hldg
Bystronic
Calida Hldg
Carlo Gavazzi
Cembra Money Bank
CI COM
Cicor Technologie
Cie Fin Tradition
CieFinRichemont
Clariant
COLTENE HLDG
Comet Hldg
COSMO Pharma
CPH Chem&Pap
Daetwyler Hldg
DKSH Hldg
DocMorris
dormakaba Hldg
Dottikon

Edisun Power
EFG Intl
Elma Electronic
Emmi
EMS-CHEMIE HLDG
EPIC Suisse
Feintool Int
Flughafen Zürich
Forbo Hldg
Fundamenta Real Estate
Galderma Group
Galenica
GAM
Geberit
Georg Fischer
Givaudan
Glarner KB
Graubuendner KB
Groupe Minoteries
Gurit Hldg
Helvetia Hldg
HIAG Immo
Highlight Ev&En
HOCHDORF Hldg
Holcim
Huber + Suhner
Hyp Bk Lenzburg
Idorsia
Implenia
ina invest hldg
INFICON HLDG
Interroll Hldg
Intershop Hldg
Investis Hldg
IVF HARTMANN Hldg
Julius Baer Grp
Jungfraubahn Hldg
Kardex Hldg
KB Basel
Kinarus Th Hldg
KlingelInberg
Komax Hldg
Kudelski
Kuehne+Nagel Int
Kuros Bioscienc
Lalique Group
LandisGyr Gr
lastminute.com
LECLANCHE
Lem Hldg
Leonteq
Liechtenst. Landesbank
Lindt & Spruengli
Logitech Intl
Lonza Grp
Luzerner KB
MCH Group
Medacta Group

Medartis Hldg
medmix
Meier Tobler
Metall Zug
Meyer Burger
Mikron Hldg
mobilezone hldg
Mobimo Hldg
Molecular Partners
Montana Aerospace
Nestle
Newron Pharma
Novartis
Novavest
OC Oerlikon
Orascom Development
Orell Fuessli
Orior
Partners Group
Peach Property
Perrot Duval Hldg
Phoenix Mecano
PIERER Mobility
PLAZZA -
PolyPeptide
Private Equity
PSP Swiss Property
R&S Group Hldg
RELIEF THER Hlg
Rieter Hldg
Roche Hldg
Romande Energie
Sandoz Group
Santhera Pharma
Schindler Hldg
Schlatter Ind
Schweiter Technologies
Sensirion Hldg
SF Urban Prop
SFS Group
SGS
SHL Telemedicine
Siegfried Hldg
SIG Group
Sika
SKAN Group
SNB
SoftwOne Hldg
Sonova Hldg
Spexis
SPS
St.Galler KB
Stadler Rail
StarragTornosGr
Straumann Hldg
Sulzer

Sunrise Communications
Swiss Steel Hldg
Swiss Life Hldg
Swiss Re
Swisscom
Swissquote Grp
Talenthouse
Tecan Grp
TEMENOS
The Swatch Grp
Thurgauer KB
Titlisbahnen
TX Group
u-blox Hldg
UBS Group
V-ZUG Hldg
Valiant Holding
Varia US Proper
VAT Group
VAUDOISE ASSURANCE
Vetropack Hldg
Villars Hldg
Vontobel Holding
VP Bank
VZ Holding
Walliser KB
Wartec Invest
WiSeKey Int Hlg
Xlife Sciences
Ypsomed Hldg
Zehnder Grp
Zug Estates
Zurich Insurance

About Witena

Witena is a premier executive search boutique in Switzerland, independently owned and operated by its partners. We specialize in executive recruitment guided by the principle of "Hiring for Cultural Fit," serving companies to attract top-tier talent both regionally and globally for executive committees and board-level positions.

With six years of experience conducting this report, we have developed one of the most comprehensive datasets on the composition of Switzerland's top executive and board leadership. By leveraging this data alongside our industry expertise, we provide clients with data-driven insights and strategic advisory services to support best practices in corporate governance.

Editor

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INTRO

For another consecutive year, we have analyzed the composition and dynamics of executive management and boards of directors within companies of the Swiss Performance Index (SPI). This year, for the first time, we have examined the correlation between changes in these leadership bodies and share price developments. Our analysis has revealed noteworthy trends and insights from an investor perspective.

Consistent with previous findings, expertise and experience remain critical factors in leadership appointments. Given the significant responsibilities associated with these roles, there is little inclination toward experimental appointments at the highest levels of corporate governance.

This report encompasses 203 companies. Over the past year, 143 changes were recorded in the board of directors, representing a 17% increase from 119 changes in 2023. Similarly, 133 changes were observed within executive management teams, marking a 21% rise from 106 changes in the previous year. These figures indicate a highly dynamic and active leadership market at the top executive levels.

FINDINGS FOR THE BOARD OF DIRECTORS

Board members of publicly listed companies in Switzerland continue to primarily recruit individuals from CEO and divisional CEO positions within the operational hierarchy. Professionals with a proven track record of profit and loss (P&L) responsibility remain in high demand for these roles. Board composition is shaped by profiles that bring specialized expertise critical to the company's strategic direction. Consequently, divisional CEOs, CEOs, and executives with extensive leadership experience have the highest likelihood of securing board positions.

For candidates without direct P&L responsibility, the path to a board appointment remains more challenging. In this context, CFOs and women with a strong track record in a specialized domain are among the few considered viable candidates. Additionally, partners from major law firms also have a notable presence at the board level, reflecting the demand for legal and regulatory expertise in corporate governance.

The average new board member is 58 years old, male, and had prior profit and loss (P&L) responsibility in executive management

In the past year, a total of 143 new appointments to boards of directors were recorded, including 17 (+3) new chairman appointments and 1(-1) new chairwomen. The age of newly appointed board members ranged from 37 to 69 years, with an average appointment age of 58.01 years, compared to 55.98 years in 2023. This reflects a broader trend of increasing seniority among board members, emphasizing the preference for experienced professionals in governance roles. Given this trajectory, we recommend that executives transition to non-executive board positions between the ages of 55 and 58, with the possibility of still holding an operational role besides that.

The rise in average board member age is largely attributed to the increasing complexity of the corporate landscape, which demands greater expertise, seniority, and crisis management experience. In light of these factors, we support this trend and advocate for revisiting conventional age limits for board service, such as the 70-year threshold, which may no longer be relevant in today's environment. However, we recommend implementing a maximum board tenure of 12 years to ensure effective governance and renewal, with the exception of family members serving on family-controlled boards.

In terms of diversity, the newly appointed board members represented 23 different nationalities. Switzerland continued to dominate with 61 appointees (-7 compared to the previous year), followed by Germany with 24 (+12) and the United States with 9 (-1). Gender distribution among appointees included 91 male board members (+23) and 52 female board members (+1). This marks a notable shift from the near-parity observed in 2023, where the gender distribution was 68 male and 51 female appointees.

This shift aligns with the broader trend observed last year, where female candidates generally had less experience in executive committee roles compared to their male counterparts. In an environment where experience remains a critical selection criterion, companies tend to prioritize candidates with greater seniority over those with less extensive backgrounds. Given the increasing responsibility associated with board membership, organizations appear to favor proven expertise over experimental appointments.

Key Talent Pools for Board Appointments

The most common career pathway to board membership remains the CEO role, with 52 former CEOs stepping into a board role (40% of male board appointees having previously served as CEOs, compared to 25% of female appointees). The second talent pool is the CFO role, which accounted for 26 new board members (23% of female appointments and 14% of male appointments). The third key pathway is the Divisional CEO role with 19 new appointments, representing 8% of female appointees and 27% of male appointees.

Additionally, legal expertise also plays a role, with 12 partners from major law firms representing 9% of female and 7.5% of male appointments. Also, business owners who stepped up into a board role were represented by 10 individuals. Therefore, the predominant source of board candidates remains front-line executive roles with 81 out of 143. This reinforces the long-term fact that executive front-roles remain the primary feeder for board appointments and will continue to shape board composition in the future.

Composition of the Board of Directors

While we have already seen the front roles being a main source for board memberships it remains a demand for former Chief Financial Officers (CFOs) and Chief Risk Officers (CROs), particularly for positions within audit and risk committees, with 2 former CFOs (17%) and 2 former CROs (1%) appointed. Notably, former General Counsels and Heads of Compliance continue to play an insignificant role in board appointments, consistently accounting for less than 1% of new board members in our data. However, partners from law firms remain a relevant group for board membership, with 12 partners (8%) securing board positions last year. While law firm partners maintain P&L responsibility within their practices, they were not categorized under front-line roles in our analysis. If they were included, the proportion of board members with front-line experience would increase to 66% (93 individuals).

Appointments from the technology sector remain limited, with only five new board members (3%) originating from this domain. Given the increasing strategic importance of technology, we recommend greater emphasis on incorporating expertise from this sector. However, our analysis suggests that the optimal candidates for such board roles would be former Chief Executive Officers (CEOs) or Divisional CEOs from technology companies, rather than Chief Technology Officers (CTOs), as the latter, along with Chief Information Officers (CIOs) and Chief Digital Officers (CDOs), typically occupy back-office functions.

Best Practice in Composition of the Board of Directors

Determining a universally applicable best practice for board composition from a human capital perspective remains challenging due to the diverse nature of companies within the SPI index. The wide variation in company size, scope, and industry-specific requirements necessitates a more nuanced approach rather than a standardized recommendation. Consequently, we refrain from offering a general directive on board composition at this stage. Instead, our data enables us to provide tailored recommendations for each listed company that align with each client's specific industry, organizational scale, and strategic priorities. These insights are best discussed on an individual basis.

Nonetheless, we have identified several key findings regarding board composition from a human capital perspective:

- **Incorporating Technology Expertise at the Board Level:** Given the profound and far-reaching impact of technological advancements, we strongly recommend the inclusion of technology expertise on the board.
- **Balancing Governance and Technology Expertise:** Many boards exhibit strong competencies in regulatory and corporate governance matters but lack substantial experience in technology. Given the critical role of technology in shaping corporate strategy, we advocate for greater representation of former CEOs and Divisional CEOs from technology firms rather than CTOs, CIOs, or CDOs, as these roles typically do not entail P&L responsibility.
- **Appointing Former Group CEOs to the Board:** Retaining the former Group CEO as a board member can provide valuable continuity and strategic insight. Despite corporate governance best practices discouraging immediate transitions, we recommend nominating the outgoing CEO directly after their departure, as these profiles are highly sought after by other organizations. However, the former CEO should not be directly nominated as Chairman.
- **Prioritizing Industry-Specific Expertise:** Our data underscores the importance of ensuring that the majority of board members possess deep expertise in the company's industry. This is critical to maintaining effective checks and balances with the Executive Committee. Organizations should avoid making concessions in this

area and instead challenge their executive search consultants to identify board candidates with the requisite industry knowledge.

These recommendations serve as a foundation for strategic board composition, emphasizing a balance between governance expertise, industry knowledge, and the integration of technology-oriented leadership.

Pathways to Chairperson Appointments

In the past year, 18 new Chairpersons were appointed, of whom only one was a woman. The majority of these appointments were drawn from individuals with prior front-line executive experience, reinforcing the continued preference for leadership candidates with front-role backgrounds.

Specifically, 11 of the newly appointed Chairs had previously served as Chief Executive Officers (CEOs), confirming that the CEO role remains the primary talent pipeline for Chairperson appointments. Additionally, three appointees had held Divisional CEO positions. Notably, only one individual transitioned into the role of Chairperson from a non-front-line executive position (CFO).

These findings indicate that it is exceedingly rare for individuals to ascend to the Chairperson position of a publicly listed company in Switzerland without prior experience in a senior operational front-role. The data highlights the continued emphasis on extensive executive management experience, particularly in roles with direct profit and loss (P&L) responsibility, as a prerequisite for board leadership.

Gender Tenure and Experience Gap on the Board of Directors level

Among the 143 newly appointed board members, 85 had prior experience at the Group Executive Committee (GEC) level. This underscores that prior executive committee management experience remains the most direct pathway to securing a board position. Based on our long-term analysis, this experience is the most critical qualification for board membership. Of the 91 male appointees, 58 (63%) had GEC experience, whereas among the 52 female appointees, only 27 (51%) met this criterion.

A notable trend is that female board members, on average, joined at a younger age (54.37 years) than their male counterparts (58.01 years). This, coupled with the disparity in prior GEC experience, highlights a clear **gender tenure and experience gap** at the board level. The difference is further reinforced by the fact that a lower proportion of female appointees (51%) had served at the GEC level, compared to 63% of men.

Furthermore, women appear to transition earlier to board positions compared to their male colleagues while they could still remain in executive roles longer. The average tenure of women on the GEC is 9.55 years, whereas for men, it extends to 13.77 years—a difference of over four years. Given the higher number of male appointments, this represents a significant gender-based career trajectory difference. The reasons behind this discrepancy need to be discussed, but it raises an important question: why do women exit executive leadership roles earlier than men?

Although some individuals continue to serve in operational roles while holding board positions, our findings indicate that this does not significantly impact the overall trend. Nearly half (51%) of newly appointed board members still occupy an operational role, and this proportion is similar for both men and women. This finding addresses the question whether boards prefer actively operational executives or retired leaders. Both profiles present advantages—actively operational board members maintain closer market insights but may face conflicting priorities, whereas retired executives have more time to dedicate to the board work but may lack up-to-date market exposure. The answer to this is also clear on average over many years. Companies prefer an almost equal mix of board members who are still operationally active and professional board members.

The Gender Tenure and Experience Gap: Causes and Implications

There is no definitive empirical explanation for the gender gap in tenure and experience at the board level. However, based on our observations, one contributing factor is the historical underrepresentation of women in executive front leadership roles, particularly with direct profit and loss (P&L) responsibility. Over the past decade, companies have actively sought to increase board diversity, which is a positive development. However, the pool of

female candidates with extensive executive experience, particularly in front-line leadership roles, remains limited both in Switzerland and internationally.

Since most board appointments originate from this executive talent pool, the key to increasing female representation at the board level lies in fostering more women in P&L leadership positions—particularly in sales and commercial roles. This has been a central theme of our findings in previous years. To achieve at least 30% female representation at the executive committee level, it is essential to **attract more women to sales roles**. Since companies are generally reluctant to take risks at this level, strengthening the talent pipeline in customer-facing roles—particularly in sales—is critical. Additionally, it is important for female leaders to gain the necessary experience and expertise before assuming more senior roles, as accepting promotions too quickly can significantly increase the risk of career setbacks.

No Discrimination of Women on the Board of Directors

Given the existing disparities in tenure and experience between genders on boards of directors, it is evident that highly qualified women are in strong demand for board appointments. Compared to their male counterparts, women currently face fewer barriers to securing board positions, indicating that there is no observable discrimination against female candidates at the board level. On the contrary, as selection criteria become more stringent, the process has become increasingly competitive for male candidates.

While media discourse often amplifies the focus on gender diversity, we believe that board diversity should not be confined solely to gender considerations. Instead, we advocate for a multidimensional approach to diversity, where gender is a contributing factor but not the primary criterion. The strong focus on gender diversity inevitably leads to gender stereotyping, which we try to prevent precisely through diversity. A well-balanced board should reflect a broad spectrum of skills, experiences, and perspectives to enhance corporate governance and strategic decision-making.

Correlation between the appointment of new Board members and the share price

Our analysis indicates no statistically significant correlation between the appointment of new board members and fluctuations in a company's share price. The formal appointment of board members at the Annual General Meeting (AGM) often coincides with the release of other corporate announcements, making it challenging to isolate the direct impact of board changes on stock performance.

Specifically, we observed no consistent movement in share prices following the announcement of new board nominations prior to the AGM. However, share price fluctuations were evident in response to broader company news released during or before the AGM. Based on this data, we conclude that board member appointments, in isolation, do not have a measurable impact on share price performance.

FINDINGS FOR THE GROUP EXECUTIVE COMMITTEE

CEO Appointments: Career Pathways, Demographics, and Educational Background

An analysis of the 34 newly appointed CEOs reveals that 28 individuals (82%) transitioned from a prior CEO or Divisional CEO role with profit and loss (P&L) responsibility. This finding underscores that the most common and direct pathway to a CEO appointment remains through front-line leadership roles that encompass team management and financial accountability. Alternative routes to the CEO position included Chief Operating Officer (COO), Chief Financial Officer (CFO), and Chief Technology Officer (CTO), each accounting for two appointments (6%). Given the relatively small sample size, we emphasize the nominal figures over percentage-based conclusions.

CEO Gender and Nationality Distribution

Among the 34 newly appointed CEOs, only two were women—one promoted from a CFO position and the other from a Divisional CEO role—while the remaining 32 appointments were men. Regarding nationality, Swiss nationals accounted for 12 of the new CEO appointments, followed by 11 German, 4 French, 2 Italian, and 2 Austrian executives, alongside a small number from other regions. The majority of CEOs were promoted from within Switzerland or neighboring countries, reflecting a preference for cultural proximity.

Educational Background of Newly Appointed CEOs

The most common educational background among the new CEOs was Business Administration, with 10 individuals holding a degree in the field, followed by Engineering (5), Economics (3), and Law (3). Additional disciplines represented include Technology (2) and Chemistry (2). Notably, 9 newly appointed CEOs began their careers through an apprenticeship, reaffirming its viability as an educational pathway to executive leadership.

A critical observation is that all newly appointed CEOs pursued further education beyond a bachelor's degree. Of the 34 CEOs, 25 hold a master's degree, solidifying it as the primary academic qualification for reaching the CEO position. Additionally, 5 CEOs obtained a PhD, though this credential is not a prerequisite for the role. While Business Administration remains the dominant field of study, Economics and Engineering consistently rank among the top three academic backgrounds for CEOs. Many engineering graduates complement their technical expertise with an MBA, though these cases were not included in the Business Administration figures in this analysis.

While our data highlights clear trends in educational backgrounds among newly appointed CEOs, there is no statistically significant correlation between obtaining a CEO position and attending a specific university or business school. The choice of institution appears to be irrelevant in determining career progression to the CEO level, suggesting that factors such as leadership experience, industry expertise, and P&L responsibility play a far more decisive role in executive appointments.

In this context, Oliver Berger has held the lecture series "How to become CEO" at various universities, not least to show young women the importance of sales and front roles for career development.

Key Insights on CEO Career Progression

Based on these findings, the most efficient career trajectory for aspiring CEOs follows a structured path, as summarized by Oliver Berger:

"Graduate with a master's degree in business administration, enter a sales role, take on leadership responsibilities, and strive for a Divisional CEO position. From there, the Group CEO role becomes the most probable next step."

Composition of the Group Executive Committee

The size and composition of Group Executive Committees (GECs) vary significantly across industries and are influenced by multiple factors, including company structure, regulatory requirements, and strategic priorities. Given these variations, providing a standardized recommendation for the composition of GECs across all SPI-listed companies would not be methodologically sound. Instead, we highlight key trends and insights based on our data analysis.

Increased Inclusion of the CHRO Role

A notable trend in recent years has been the growing inclusion of the Chief Human Resources Officer (CHRO) in the Group Executive Committee. Given the increasing complexity of talent management and workforce challenges expected over the next decade, this role has become more strategically significant. While gender diversity in executive leadership has been a focus, the CHRO position has also been a key entry point for women at the executive level, with eight out of nine CHRO appointments last year, being women.

Integration of Technology Leadership

The roles of Chief Information Officer (CIO), Chief Technology Officer (CTO), and Chief Digital Officer (CDO) are increasingly being incorporated into Group Executive Committees. This shift reflects the growing strategic importance of technology in corporate decision-making. However, depending on the complexity and operational structure of a company, these roles may be integrated with the Chief Operating Officer (COO) position.

Emerging Role of the Chief AI Officer

With the rapid advancements of artificial intelligence (AI) and its transformative impact on business operations, we anticipate the emergence of the Chief AI Officer (CAIO) as a new executive role. While some corporate leaders remain skeptical about the long-term significance of AI, we believe that companies that successfully integrate AI—not only for back-office efficiency but also for front-end service automation—will gain a competitive advantage that will be difficult for others to bridge.

Reduced Representation of the General Counsel (GC) Role

Despite the regulatory relevance of the General Counsel position, there is a trend to remove this role from the Group Executive Committee. Due to the appropriate separation of legal and compliance, many boards and CEOs consider legal to be very important, but compliance to be more important. We are therefore observing that the Chief Compliance Officer (CCO) is increasingly being included in the management level. We also recommend including the Chief Risk Officer (CRO) in the Executive Board, where he does not already have to be due to regulatory requirements. This trend is in line with evolving regulatory frameworks such as the Senior Managers and Certification Regime (SMCR) in the financial sector.

Group Executive Committee Appointments in SPI-Listed Companies

In the past year, there were 132 new appointments to the Group Executive Committees of SPI-listed companies, reflecting a 21% increase (26 additional appointments) compared to the previous year. The breakdown of new appointments is as follows:

Group CEO: 34 appointments (+9)

Group CFO: 22 appointments (+2)

Divisional CEOs: 47 appointments (+14)

CHRO: 9 appointments (0)

CTO: 4 appointments (+1)

COO: 4 appointments (-5)

General Counsel (GC): 3 appointments (+2)

Other roles: Remaining appointments distributed across various functions

Key Observations on Executive Turnover

The highest turnover was observed in the roles of Group CEO, Divisional CEO, and CFO, indicating continued dynamism in these leadership positions.

In contrast, the CTO, COO, and GC roles remain relatively stable, with many executives holding these positions until retirement.

The CHRO position emerged as the most significant addition to the Group Executive Committee over the past six years. In many cases, this role had not previously been part of the executive leadership team, highlighting its growing strategic importance.

Composition of the Group Executive Committee in terms of gender and nationality

Last year we saw 32 resp. 24% (26 resp. 25% in 2023) female executives who were appointed to the Group Executive Committee of SPI listed companies. In comparison with 100 male executives resp. 76% (80 resp. 75% in 2023 and therefore, a total of 132 (vs. 106 in 2023) appointments. Thus, the ratio in terms of gender diversity remains the same.

The ratio clearly changes when we take into consideration the specific roles:

Only 6% female appointments for Group CEO role.

50% Divisional CEO who are women and even in the CFO role they only appointed 22% women.

89% CHROs were women and 75% of the CTOs as well.

Discrimination of Female Executives on the Group Executive Committee Level?

It is essential to interpret the above data with caution, as the sample sizes remain relatively small. For instance, only four Chief Technology Officer (CTO) and eight Chief Human Resources Officer (CHRO) appointments were recorded last year. Based on these limited figures, a purely numerical assessment might suggest a significant disparity in the appointment of female executives at the Group Executive Committee level. However, a deeper analysis of the data reveals a different perspective.

Faster Career Progression for Female Executives

While the absolute number of male executive appointments was nearly three times that of female executives, our findings indicate that women ascend to the Group Executive Committee at a younger average age of 48.35 years, compared to 50.30 years for their male counterparts. This suggests that female executives, on average, reach top leadership roles at a faster pace than their male colleagues. Given the increasingly supportive corporate environment for gender diversity, one could argue that men may, in some cases, perceive themselves as facing greater barriers to executive appointments.

The Underrepresentation of Women in CEO and Divisional CEO Roles

Despite this accelerated career progression, the question remains: Why do we not see more female executives in CEO or Divisional CEO positions?

As Oliver Berger has consistently emphasized, the root cause lies in the early stages of career development:

"If we do not actively attract more women into sales and front-leadership roles at junior levels, and subsequently entrust them with team leadership and P&L responsibilities, achieving gender parity at the executive committee level will remain an unattainable goal."

Our data consistently demonstrates that the most direct path to a CEO position is through sales, leadership, and P&L responsibility at the Divisional CEO level. Executives who have experience selling their company's products or services, leading teams, and managing financial outcomes are the most likely candidates for CEO appointments.

If women predominantly pursue back-office roles, their transition into front-line leadership positions—and ultimately, the CEO role—becomes significantly more challenging. Given that companies at this level prioritize proven leadership experience and expertise over experimental appointments, we do not anticipate major shifts in gender ratios at the top unless there is a fundamental change in career progression patterns at earlier stages. Only at the lower levels do companies take limited risks and give a person from HR, Marketing, Finance, etc. a front-line role. At Group Executive Committee level, no experiments are made, and rightly so. Too much depends on it: Responsibility for employees, investors, customers and, last but not least, one's own career. If the manager does not gain the credibility of their own team quickly enough, they will quickly lose support and be replaced. Even in sport, no one is appointed to the Olympic squad if they have not previously proven their performance in the relevant discipline.

Nationality Trends in Group Executive Committee Appointments

An analysis of last year's Group Executive Committee (GEC) appointments shows a strong preference for executives from Switzerland and neighboring countries. Among the newly appointed senior executives:

46 held Swiss nationality

26 were German

11 were French

9 were Austrian

7 were Italian

7 were US American

These figures indicate a clear trend toward recruiting executives from Switzerland and surrounding European countries, reinforcing the significance of cultural proximity in senior leadership appointments. Similar to Board of Directors selections, companies listed on the SPI index continue to prioritize executives with cultural and regulatory familiarity with the Swiss business environment.

This pattern suggests that while globalization has influenced executive mobility, regional expertise, linguistic alignment, and cultural fit remain critical factors in leadership selection for Swiss-listed companies.

Executive Committee Appointments in relation to the Share Price Performance

A retrospective analysis over the past three years indicates that appointments to the Group Executive Committee (GEC) have no direct correlation with share price movements. At first glance, this may suggest that GEC appointments do not influence market perception and that any candidate could theoretically be appointed without affecting shareholder value. However, such an assumption would be misleading.

While individual GEC appointments may not immediately impact stock performance, the collective leadership of the GEC plays a critical role in shaping corporate strategy, driving execution, and ensuring effective leadership. From a broader stakeholder perspective—including employees, clients, and potential recruits—the composition of the GEC is crucial. These stakeholders seek representation and alignment with the leadership team, which in turn affects long-term corporate reputation, employee engagement, and strategic execution.

Although there is no evidence of appointments at the GEC having an impact on the share price, there is one position that has a strong impact on the share price: we are talking about the CEO.

The CEO's Influence on Share Price Performance

While the stock price is mainly driven by news, our data shows a strong correlation between new CEO appointments and share price performance. We evaluated three share price scenarios: First, the share has performed positively, is in an upward trend and the CEO is recruited by another company. The aim is to maintain the positive performance (scenario 1). Secondly, the share has been in a sideways trend for some time and the company wants to give the share a new lease of life (scenario 2). Thirdly, the share is in a downtrend and the company wants to move the share into a reversal trend by appointing a new CEO (scenario 3).

Several key insights emerge from our analysis:

Internal vs. External CEO Appointments

- Share prices tend to react more positively when an external CEO is appointed, compared to an internal promotion. Except scenario 1.
- Internal candidates, particularly those rising from a Divisional CEO role, generate less immediate market reaction but may offer greater continuity in leadership.

Industry Experience Matters

- There is a notable distinction between industry-savvy leaders (those with deep sector expertise) and executives from other industries.
- CEOs with prior experience in the same industry tend to deliver more stable long-term performance, whereas external industry hires may boost initial investor confidence but face a steeper learning curve.

Blueprint for CEO Success

Through extensive CEO interviews and data collection over the past three years, we have identified a set of best practices—a "CEO success blueprint"—that outlines:

- Critical actions to take before and after assuming the CEO role
- Pitfalls to avoid
- The optimal timeline for initiating strategic changes
- Best practices for communication, team structuring, and strategy execution

Given the potential impact of this CEO success framework on stock recommendations, we maintain this data confidential. However, our findings have allowed us to predict which CEO candidates are likely to be more successful based on empirical evidence. Based on this we can recommend what a CEO should do after assuming the CEO role and things a CEO should avoid. There is also a clear timeline when a CEO should initiate certain things, what a CEO should change after stepping in and what a CEO should communicate. Interestingly, education or academic pedigree has no correlation with CEO success. Instead, cultural alignment, specific personal traits, past achievements, communication skills, team composition, and strategy implementation are the strongest indicators of a new CEO appointment and positive share price development. In the correct constellation they will have a significant impact on the share price during a limited time period.

Conclusion

While most GEC appointments do not directly influence share price movements, the CEO appointment remains a key determinant of market performance. Investors and corporate boards should therefore prioritize leadership qualities, strategic vision, and cultural alignment when selecting a CEO.

Four Key Recommendations for Board of Directors Based on the Report

1. Incorporate More Technology Expertise at the Board Level

- Despite the growing strategic importance of technology, only 3% of new board members came from the technology sector. Many boards still emphasize regulatory and corporate governance expertise but lack sufficient digital and technology leadership.
- To address this, companies should actively seek board members with deep experience in digital transformation, artificial intelligence, and emerging technologies. However, as the report suggests, former CEOs and Divisional CEOs from technology companies are preferable candidates over CTOs, CIOs, and CDOs, as these roles traditionally lack P&L responsibility.

2. Ensure Board Renewal While Leveraging Experienced Leadership

- The average age of newly appointed board members increased to 58.01 years, reflecting a trend toward greater seniority and crisis management experience. Given the increasing complexity of corporate leadership, companies should reconsider traditional age limits (e.g., the 70-year retirement threshold) while ensuring that tenure limits (such as a 12-year maximum term) are enforced.
- This approach balances experience and stability while allowing for board renewal and the introduction of fresh perspectives. Additionally, former Group CEOs remain valuable assets for boards due to their strategic insights, and despite corporate governance norms discouraging immediate transitions, boards should consider appointing recently retired CEOs to retain institutional knowledge.

3. Strengthen Gender Diversity by Promoting Women into Front-Line Leadership Roles

- The report confirms again that while gender diversity at the board level has improved, women continue to be underrepresented in CEO and Divisional CEO roles, which remain the primary feeder for board positions.
- One key factor is that fewer women hold P&L responsibility, making it more challenging to transition into CEO and board roles. To address this, organizations should:
 - Actively promote and develop female executives in sales roles.
 - Ensure that gender diversity initiatives go beyond board appointments and focus on building a strong pipeline of female leaders in revenue-generating roles.
 - Without such proactive measures, the gender gap in CEO and board appointments will persist, as companies favor proven leadership experience over experimental appointments.

4. Recognize That CEO Appointments Significantly Impact Share Price Performance

- External CEO hires tend to generate a stronger positive market reaction compared to internal promotions.
- Industry expertise matters—CEOs with deep experience in the same sector deliver more stable long-term performance than external hires from unrelated industries.
- Successful CEOs follow a defined strategy, and based on three years of research, the report identifies a CEO success blueprint that includes key actions, communication strategies, and execution timelines.
- Given these findings, boards should:
 - Be strategic and data-driven when selecting a CEO, prioritizing industry expertise, cultural fit, and past leadership success over educational background.

- Support newly appointed CEOs with a structured onboarding and transition strategy to maximize their impact on company performance.

Thanks you for your attention. If you have any questions, Oliver is happy to help:

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